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Title: Need to exempt VAT and other taxes for works executed under MPLADS.

SHRIMATI KOTHAPALLI GEETHA (ARAKU): I would like to draw the kind attention of the august House regarding the need to exempt VAT and other taxes while executing the works of MPLADS.

As the House is aware, the Ministry of Statistics and Programme Implementation releases funds for the developmental activities through MPLDS in the Constituencies of Hon'ble Members of Parliament. In this connection, I would like to state that in the existing MPLADS guidelines, mention has been made about the administrative expenses and centage charges in para nos. 4.17 and 4.17.1 respectively. But nowhere is taxation part especially VAT mentioned which is creating a lot of confusion.

I would like to bring to your kind notice that some of the Nodal agencies in Telagana & Andhra Pradesh are deducting and collecting VAT & other taxes and remitting the same to the State Sales Tax department and other concerned departments. It is pertinent to mention here that in the States, whenever funds are released to MLAs, VAT and other taxes are not deducted by the nodal departments. Therefore, some sort of guidelines must be issued with regard to MPLADS also. I am sure that, not only me but the entire august House will agree with me that since these funds are utilized for the local area development, no taxation should be imposed and entire amount (except administrative expenses as per guidelines) must be utilized for the purpose. If GST Bill is passed in future, it may also be waived off in respect of MPLADS works.

Hence, I request the Hon'ble Minister of Statistics and Programme implementation to kindly look into the matter and issue clear cut guidelines in this aspect.